

Altisource Portfolio Solutions S.A.  
Form DEF 14A  
August 14, 2018

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**ALTISOURCE PORTFOLIO SOLUTIONS S.A.**

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(Name of Registrant as Specified in its Charter)

N/A

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No Fee Required
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:  
N/A
  - (2) Aggregate number of securities to which the transaction applies:  
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o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

N/A

(4) Date Filed:

N/A

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August 14, 2018

Dear Fellow Shareholder:

On behalf of the Board of Directors, we cordially invite you to attend the Special General Meeting of Shareholders of Altisource Portfolio Solutions S.A. (the "Special Meeting"), being held to elect an additional Director to our Board of Directors. The Special Meeting which will be held at the registered office of the Company located at 40, avenue Monterey, L-2163 Luxembourg City, Grand Duchy of Luxembourg on Tuesday, September 25, 2018, at 9:00 a.m. Central European Time. Further details regarding admission to the Special Meeting as well as the business to be conducted at the meeting are more fully described in the accompanying materials.

It is very important that you be represented at the Special Meeting regardless of the number of shares you own or whether you are able to attend in person. If you are a shareholder of record (that is, you hold your shares in your name as a holder of record with our transfer agent), you may authorize your proxy by the Internet, by telephone or by mail as described in the accompanying materials. If your shares are held through a bank or broker, please follow the voting instructions you receive from your bank or broker. This will not prevent you from voting in person but will ensure that your vote is counted if you are unable to attend.

Thank you for your support of and interest in Altisource Portfolio Solutions S.A.

Sincerely,

Timo Vättö  
Chairman of the Board of Directors

William B. Shepro  
Chief Executive Officer and Director

40, avenue Monterey, L-2163 Luxembourg, +352 2469 7900

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**ALTISOURCE PORTFOLIO SOLUTIONS S.A.**

**PROXY STATEMENT**

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**ALTISOURCE PORTFOLIO SOLUTIONS S.A.**  
**40, avenue Monterey**  
**L-2163 Luxembourg City**  
**Grand Duchy of Luxembourg**  
**R.C.S. Luxembourg B 72 391**

**NOTICE OF SPECIAL GENERAL MEETING OF SHAREHOLDERS AND  
IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS  
FOR THE SPECIAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON SEPTEMBER 25, 2018**

**NOTICE**

Our Special General Meeting of Shareholders ("Special Meeting") will be held:

**Date:** Tuesday, September 25, 2018  
**Time:** 9:00 a.m. Central European Time  
**Location:** Altisource Portfolio Solutions S.A.  
40, avenue Monterey  
L-2163 Luxembourg City  
Grand Duchy of Luxembourg

**PURPOSE**

To elect one (1) additional Director until the next annual meeting of shareholders or until his successor has been elected and qualified; and

To transact such other business as may properly come before the Special Meeting and any adjournment or postponement thereof.

**PROCEDURES**

Our Board of Directors has fixed August 9, 2018 as the record date for the determination of shareholders entitled to notice of and to vote at the Special Meeting.

Only shareholders as of the close of business on the record date will be able to vote at the Special Meeting. In order to be admitted to the meeting, each shareholder will be asked to present proof of share ownership as of the record date and valid government-issued photo identification. If your shares are held in "street name" by a bank or broker, you will also need to obtain a "legal proxy" from the holder of record to vote at the meeting. **Even if you plan to attend the Special Meeting, we recommend that you vote your shares in advance of the meeting pursuant to the instructions listed in the accompanying materials so that your vote will be counted if you are unable to attend the Special Meeting.**

The proxy statement for our Special Meeting and our annual report to shareholders on Form 10-K for the year ended December 31, 2017 are available on our website under Investor Relations-Financial Information at <http://ir.altisource.com/financials.cfm>. In accordance with Securities and Exchange Commission ("SEC") rules, you may also access our proxy statement and annual report at <http://www.proxyvote.com>, a website that does not identify or track visitors to the site, by entering the Control Number found on your Notice and Access Card, your proxy card or your email notification, as applicable, in the space provided.



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Although Luxembourg law does not require a quorum for the conduct of business at the Special Meeting, in accordance with the requirements of the NASDAQ listing standards, we have established that the presence at the Special Meeting of holders of at least thirty-three and one-third percent (33<sup>1</sup>/<sub>3</sub>%) of our issued and outstanding shares of common stock able to be voted, represented in person or by proxy, will constitute a quorum for the transaction of business at the Special Meeting.

By Order of the Board of Directors,

Kevin J. Wilcox  
Corporate Secretary

August 14, 2018  
Luxembourg City, Grand Duchy of Luxembourg

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**Altisource Portfolio Solutions S.A. Proxy Statement  
Special General Meeting of Shareholders  
General Information**

We have made this proxy statement available to you on or about August 14, 2018 as a holder of common stock of Altisource Portfolio Solutions S.A. ("Altisource" or the "Company") because our Board of Directors is soliciting your proxy to be used at our Special Meeting, and any adjournment or postponement thereof. The Special Meeting will be held at our registered office located at 40, avenue Monterey, L-2163 Luxembourg City, Grand Duchy of Luxembourg on Tuesday, September 25, 2018, at 9:00 a.m. Central European Time for the purposes listed in the Notice of Special General Meeting of Shareholders.

**Internet Availability of Proxy Materials**

Consistent with historical practice, we are using the "Notice and Access" method of furnishing proxy materials to our beneficial shareholders via the Internet, instead of mailing printed copies of those materials to each shareholder. By doing so, we reduce the environmental impact of the meeting and save costs. On August 14, 2018, we commenced mailing Notices of Internet Availability of Proxy Materials (the "Notices") to participating shareholders. The Notice contains instructions about how to access our proxy materials. If you would like to receive a paper copy of our proxy materials, please follow the instructions included in the Notice. If you previously chose to receive our proxy materials electronically, you will receive an email with links to the online proxy materials. If you previously requested to receive paper copies of the proxy materials by mail, you will receive the proxy materials by mail until you elect otherwise.

Shareholders of record will receive a paper copy of the proxy materials by mail unless they previously requested delivery of proxy materials electronically. The proxy card included with the proxy materials contains instructions on how to request electronic delivery of future proxy materials.

**Who May Vote**

You are entitled to vote at the Special Meeting, and any adjournment or postponement thereof, if you are a holder of our common stock at the close of business on August 9, 2018. At the close of business on August 9, 2018, there were 17,040,916 shares of common stock issued, outstanding and able to be voted, and there was no other class of equity securities outstanding. Each share of our common stock is entitled to one (1) vote at the Special Meeting on all matters properly presented for a vote.

**Voting Procedures**

If you are a shareholder of record, which means you hold your shares through an account with our transfer agent, American Stock Transfer & Trust Company, LLC, you may vote by one of the following three options for voting before the Special Meeting:

Over the Internet, at <http://www.proxyvote.com>, by following the instructions on your proxy card or the instructions that you received by email;

By telephone; or

By completing, dating, signing and returning a proxy card by mail.

If you are a beneficial holder, meaning you hold your shares in "street name" through an account with a bank or broker, please follow the voting directions on the voting instruction form that your bank or broker provides to you. Your ability to vote over the Internet or by telephone depends on the voting procedures of your bank or broker.



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If you plan to vote over the Internet or by telephone, your voting instructions must be received no later than 9:59 p.m. Central European Time (3:59 p.m. Eastern Time) on Monday, September 24, 2018 in order to allow sufficient time to tabulate the votes prior to the start of the meeting.

Shareholders may also vote in person at the Special Meeting. All shareholders must present valid government-issued photo identification to vote at the meeting. If your shares are held by a bank or broker, you must also obtain and present a "legal proxy" from the holder of record to vote at the meeting. For specific instructions, please refer to the proxy card, Notice or email notification you receive.

**Even if you plan to attend the Special Meeting, we recommend that you vote your shares in advance of the meeting in one of the manners available to you so that your vote will be counted if you later are unable to attend the Special Meeting.**

**How a Proxy Works**

If you properly submit your proxy to Altisource and do not revoke it prior to its use, it will be voted in accordance with your instructions. Other than as discussed below with respect to "broker non-votes," if no contrary instructions are given, each proxy received for the Special Meeting will be voted "FOR" the nominee for Director named in this proxy statement and, with regard to any other business that properly comes before the Special Meeting, in accordance with the discretion of the persons appointed as proxies.

If the shares you own are held by a bank or broker and you do not provide specific voting instructions to your bank or broker on a "non-routine" item as defined by the New York Stock Exchange, the bank or broker will be prohibited from voting your shares. This is commonly referred to as a "broker non-vote." The proposal to elect the nominee for Director is expected to be "non-routine;" therefore, if you do not instruct your bank or broker how to vote your shares with respect to this proposal, your shares will not be counted.

**How to Revoke a Proxy**

Your proxies may be used only at the Special Meeting and any adjournment or postponement thereof, and will not be used for any other meeting. You have the power to revoke your proxy at any time before it is exercised by:

delivering written notice to our Corporate Secretary at the following address prior to the Special Meeting:

Kevin J. Wilcox, Corporate Secretary  
Altisource Portfolio Solutions S.A.  
40, avenue Monterey  
L-2163 Luxembourg City  
Grand Duchy of Luxembourg;

submitting a properly executed proxy bearing a later date prior to the Special Meeting; or

appearing at the Special Meeting and giving the Corporate Secretary notice of your intention to vote in person.

**Quorum and Voting Information**

Although Luxembourg law does not require a quorum for the conduct of business at the Special Meeting, in accordance with the requirements of the NASDAQ listing standards, the Company has established that the presence at the Special Meeting of holders of at least thirty-three and one-third percent (33<sup>1</sup>/<sub>3</sub>%) of our issued and outstanding shares of common stock able to be voted, represented in person or by proxy, will constitute a quorum for the transaction of business at the Special Meeting.

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Pursuant to Luxembourg law and assuming a quorum, the nominee for Director will be elected as a Director of Altisource at the Special Meeting so long as the votes cast in favor of the nominee exceed the votes cast against the nominee. You may vote for, against or abstain from voting with respect to the nominee for Director.

Any other matter properly submitted for your consideration will be approved with such vote as required by Luxembourg law. Abstentions will not be counted in determining the votes cast in connection with the proposal in the agenda of the Special Meeting.

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**Proposal: Election of Director**

Our Articles of Incorporation provide that our Board of Directors shall consist of no less than three (3) and no more than seven (7) members, with the exact number to be decided by our shareholders.

Our Board of Directors currently consists of six (6) members whose terms will expire at the 2019 annual meeting of shareholders. On July 24, 2018, the Board of Directors, acting pursuant to the recommendation of the Nomination/Governance Committee, nominated Scott E. Burg for election as an additional Director at the Special Meeting, which would increase the Board of Directors to seven (7) members. Under Luxembourg law, additional directors may be elected only by vote of our shareholders (except in the case of a vacancy). The Board of Directors recommends that our shareholders vote for the election of Mr. Burg as an additional Director at the Special Meeting to serve until the 2019 annual meeting of shareholders or until his successor has been elected and qualified and subject to his earlier death, resignation or removal.

The nominee's principal occupation for the last five (5) years and additional biographical information are set forth below.

**Scott E. Burg** (age 39). Mr. Burg serves as Chief Investment Officer and Managing Partner of Deer Park Road Management Company, LP ("Deer Park"), where he is responsible for the firm's portfolios and portfolio risk management. Prior to joining Deer Park in August 2010, Mr. Burg was a Principal at General Capital Partners, where he advised middle-market companies in distressed situations. Mr. Burg also worked at Pursuit Partners, a \$550 million fixed-income hedge fund, where he analyzed residential mortgage-backed securities, and he founded The Murray Hill IPS (later Clayton IPS; now MountainView IPS), a world-wide leader in the valuation of difficult-to-price assets. Mr. Burg holds a Bachelor of Science from the University of Colorado and a Master of Business Administration from the University of Denver's Daniels College of Business.

Mr. Burg is being nominated to serve on our Board based on his financial expertise and deep experience in business advisory services and asset management, including real estate-related investments. As Chief Investment Officer and Managing Partner of one of the Company's largest investors, Mr. Burg offers financial expertise and has a well-developed understanding of our business and industry.

If Mr. Burg becomes unable or unwilling to stand for election at the time of the Special Meeting, the shares represented by a validly executed proxy will be voted for the election of such other person as the Board of Directors may recommend in his place, unless the Board of Directors chooses to reduce the number of Directors serving on the Board. At this time, our Board of Directors knows of no reason why Mr. Burg would not be able or willing to serve as Director if elected.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS  
THAT YOU VOTE "FOR" THE NOMINEE FOR DIRECTOR**

Table of Contents**Board of Directors and Corporate Governance**

The following table sets forth certain information concerning each of our current Directors whose term of office will continue after the Special Meeting:

Name	Age <sup>(1)</sup>	Since <sup>(1)</sup>	Director	Executive Committee	Audit Committee	Compensation Committee	Nominations/ Governance Committee
Timo Vättö <sup>(2)</sup>	53	2009	X <sup>(3)</sup>	X	X <sup>(3)</sup>	X	X
Orin S. Kramer	73	2016			X	X	X
W. Michael Linn	70	2011		X		X <sup>(3)</sup>	X <sup>(3)</sup>
Joseph L. Morettini	65	2017		X <sup>(4)</sup>		X <sup>(4)</sup>	
Roland Müller-Ineichen	57	2009		X <sup>(3)</sup>	X	X	
William B. Shepro	49	2009	X				

(1) As of August 9, 2018

(2) Chairman of the Board of Directors

(3) Committee Chairman as of August 9, 2018

(4) Committee member effective May 17, 2017, the date of his initial election to the Board of Directors

The principal occupation for the last five (5) years and additional biographical information of each Director of Altisource are set forth below.

All of our Directors bring a wealth of leadership experience derived from their service in executive and managerial roles as well as extensive board experience.

**Timo Vättö.** Mr. Vättö was appointed to the Board of Directors of Altisource in August 2009, as Lead Independent Director in May 2014 and as Chairman of the Board of Directors in January 2015. He is the founder and owner of Cundo Management AG, a provider of independent corporate advisory services, which was founded in November 2008. Mr. Vättö serves as Chairman of the Board of Directors of Evalueserve Ltd, a privately held global professional services provider offering research, analytics and data management services. He also serves on the Board of Directors of IHAG Holding AG, a family-owned company that holds a diversified portfolio of majority and minority shareholdings in a variety of sectors, on the Board of Directors of Rettig Group, a privately held investment company, and as Chairman of the Board of Directors of KYC Exchange Net AG, a privately held company that provides a secure platform for Know Your Customer and Customer Due Diligence purposes. Previously, Mr. Vättö was employed by Citigroup in Switzerland and the U.S. for almost twenty years in senior client coverage and business head roles within Corporate and Investment Banking, most recently as Head of Swiss Investment Banking. In addition, from 2004 to 2009, Mr. Vättö served as a member of the Board of Directors, including as a member of the Audit Committee, of Citibank (Switzerland) AG, part of Citigroup's Wealth Management Business. Mr. Vättö holds a Master of Science in Economics and Business Administration from the University of Tampere in Finland.

Mr. Vättö's experience with Cundo Management AG and Citigroup makes him financially literate and qualifies him as a financial expert as defined by NASDAQ listing standards and SEC rules, and his knowledge of the financial services industry provides the Board of Directors with subject matter expertise. Through his eight plus years of service on our Board of Directors, Mr. Vättö has developed a thorough understanding of our business and industry.

**Orin S. Kramer.** Mr. Kramer was appointed to the Board of Directors of Altisource in August 2016. Mr. Kramer manages Boston Provident, L.P., a private investment fund founded in 1992. He has served as Chairman of the New Jersey State Investment Council from 2002 to 2010, Chairman of the Robert F. Kennedy Center from 2009 to 2013, and in his region as Chairman of the Community Chest from 1998 to 2007. Mr. Kramer serves on the Board of the National Park Foundation and on the Board of the Climate



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Reality Project, chaired by former Vice President Gore, since 2004. Mr. Kramer has also served on the boards of a number of financial services firms, both public and private.

In 2011, Mr. Kramer was appointed to the New York State Council of Economic and Fiscal Advisors by Governor Cuomo. In 2007, he was appointed by the Pennsylvania State Treasurer as a member of the Financial Asset Management Commission, which reviewed the State's investment practices. In 1995, he was designated by the Secretary of Treasury to serve as a member of the Advisory Commission on Financial Services. He was named by President Clinton as a member of the Commission to Study Capital Budgeting. In 1992, he served as a coordinator of President-elect Clinton's transition team on financial services issues. In 1990, he was appointed by the Governor of California as Executive Director of the California Commission on Ratemaking for Workers Compensation Insurance. In 1986, he served as Vice-chairman and Executive Director of a special commission appointed by Governor Cuomo to study the liability insurance crisis and civil justice reform and he co-authored the New York DeWind Commission report on product deregulation for banks. Mr. Kramer has published two books and a number of studies on the financial services industry. He has taught financial institutions law at Columbia Law School.

From 1981 to 1983, Mr. Kramer was a member of the Financial Institutions group at the management-consulting firm of McKinsey & Co. From 1977 to 1981, he served as Associate Director of the White House Domestic Policy Staff. Previously, Mr. Kramer had been an associate with the law firm of Simpson Thacher & Bartlett and Executive Director of the New York State Commission on Living Costs and the Economy. He received a Bachelor of Arts from Yale College and a Juris Doctor from Columbia Law School.

Mr. Kramer has over thirty-five years of experience in various public sector roles in the financial services industry. With his extensive experience in business advisory services and investment activity and his deep knowledge of the financial services industry, Mr. Kramer offers both financial expertise and a valuable perspective on government, regulation and risk management.

**W. Michael Linn.** Mr. Linn was appointed to the Board of Directors of Altisource in May 2011. Mr. Linn also serves as a Board member of Panua Partners in Hope, a charitable organization dedicated to demonstrating a cost effective methodology for eliminating multigenerational poverty. In addition, Mr. Linn is a private investor in energy-related industries. Mr. Linn previously served as President and Chief Executive Officer of Greensleeves, LLC from January 2010 to April 2014. He also served on the Board of Directors of National Lime and Stone from 1994 through 2012. Mr. Linn served on the Board of Directors of Ocwen Financial Corporation ("Ocwen") from August 2002 to May 2008 and as the Executive Vice President of Sales and Marketing of Ocwen from February 2004 to May 2007. Prior to joining Ocwen, Mr. Linn served on the Board of Directors and as the Executive Vice President of Sales and Marketing of Solomon Software, Inc., a corporation now owned by Microsoft Corporation. He has also served on the Board of Directors and as President and Chief Executive Officer of Saunders, Inc., a venture backed, privately held financial services and technology solutions company. Mr. Linn holds a Bachelor of Arts from Harvard College and a Master of Business Administration from Harvard University.

Mr. Linn's extensive experience in rolling out emerging technologies and in the development of strategic relationships brings valuable operational, sales and strategic expertise to our Board of Directors. Furthermore, Mr. Linn is financially literate and qualifies as a financial expert as defined by NASDAQ listing standards and SEC rules. Through his seven plus years of service on our Board of Directors, Mr. Linn has developed a thorough understanding of our business and industry.

**Joseph L. Morettini.** Mr. Morettini was appointed to the Board of Directors of Altisource in May 2017. Mr. Morettini served as Partner of Deloitte & Touche LLP ("Deloitte") from 1989 until his retirement in 2015, and in various positions with Deloitte from 1984 to 1989. During his tenure at Deloitte, his client responsibilities included companies in the financial services and mortgage servicing industries in addition to



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various public companies from small market capitalization to large market capitalization. Mr. Morettini also served on the Board of Directors and as Audit Committee Chairman of TechBridge, an Atlanta, Georgia based nonprofit organization, from 2003 to 2005. Mr. Morettini holds a Bachelor of Arts in Liberal Arts and Sciences from the University of Illinois and a Master of Accountancy from Western Illinois University. Mr. Morettini is a Certified Public Accountant.

Mr. Morettini's extensive experience with large financial institutions and public corporations in the financial services and mortgage servicing industries and his over thirty years of experience with Deloitte provide the Board of Directors with valuable insight from an accounting and audit perspective. Mr. Morettini is financially literate and qualifies as a financial expert as defined by NASDAQ listing standards and SEC rules.

**Roland Müller-Ineichen.** Mr. Müller-Ineichen was appointed to the Board of Directors of Altisource in July 2009. He also serves on the Board of Directors of Bank Arner SA, a provider of private banking services based in Lugano, Switzerland; of SWA Swiss Auditors AG, a private company based in Freienbach, Switzerland that provides auditing and consulting services for financial institutions in Switzerland; of Citibank (Switzerland) Ltd. based in Zurich and Geneva, Switzerland, a subsidiary of Citigroup that provides private banking services to High Net Worth individuals; of Sberbank (Switzerland) Ltd, based in Zurich, Switzerland, a subsidiary of Sberbank Russia, offering trade finance, trading and corporate banking services; and of Habib Bank AG Zurich, a provider of corporate, personal, private, and correspondent banking products based in Zurich. In addition, from May 2010 to September 2011, Mr. Müller-Ineichen served as a member of the Board of Directors of Absolute Private Equity AG, a Switzerland-based investment company. Mr. Müller-Ineichen served as a Partner with KPMG Switzerland and KPMG Europe LLP where he was the lead partner on audits of national and international Banks, Security Dealers and Fund Management Companies. Mr. Müller-Ineichen began working in the Zurich office of KPMG in June 1995 as a Senior Manager in the audit department focused on the banking and financial services industries and served as a Partner from January 1999 until his retirement in December 2008. Prior to joining KPMG, Mr. Müller-Ineichen progressed through various audit and managerial roles with Switzerland-based financial institutions. Mr. Müller-Ineichen is a Swiss Certified Public Accountant. He completed a commercial and banking business apprenticeship with UBS in 1980. Mr. Müller-Ineichen holds a Business Commerce degree.

Mr. Müller-Ineichen's past employment experience provides the Board of Directors with accounting expertise, and his experience in the financial services industry provides the Board of Directors with valuable strategic and financial insights. Furthermore, Mr. Müller-Ineichen is financially literate and qualifies as a financial expert as defined by NASDAQ listing standards and SEC rules. Through his nine plus years of service on our Board of Directors, Mr. Müller-Ineichen has developed a thorough understanding of our business and industry.

**William B. Shepro.** Mr. Shepro was appointed Chief Executive Officer and to the Board of Directors of Altisource in July 2009. Mr. Shepro previously served as the President and Chief Operating Officer of Ocwen Solutions, a business unit of Ocwen. From 2003 to 2009, he served as President of Global Servicing Solutions, LLC, a joint venture between Ocwen and Merrill Lynch. Mr. Shepro also held the positions of Senior Vice President of Ocwen Recovery Group and Senior Vice President, Director and Senior Manager of Commercial Servicing at Ocwen. He joined Ocwen in 1997. Mr. Shepro also serves on the Boards of certain of Altisource's subsidiaries. He holds a Bachelor of Science in Business from Skidmore College and a Juris Doctor from the Florida State University College of Law.

Mr. Shepro's day-to-day leadership and intimate knowledge of our business and operations provide the Board of Directors with Company-specific experience and expertise. Furthermore, Mr. Shepro's legal background and operational experience in the residential and commercial mortgage servicing industries provide the Board of Directors with valuable strategic, industry and operational insights.

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**Meetings of the Board of Directors**

The Board of Directors plays an active role in overseeing the Company's business and representing the interests of the Company and its shareholders. Directors generally attend all meetings of the Board of Directors and all meetings of Committees on which they serve. Directors are also consulted for advice and counsel between formal meetings.

Our Board of Directors met thirteen (13) times in 2017. The average attendance of all incumbent Directors at Board and Committee meetings in 2017 was ninety-eight percent (98%) and each Director attended at least seventy-five percent (75%) of the total number of meetings of the Board and the Committees on which they served.

Although we do not have a formal policy regarding Director attendance at our annual meetings of shareholders, our Directors generally attend. All of the incumbent members of Board of Directors attended our 2017 annual meeting of shareholders, except Mr. Kramer who was unable to attend due to a personal matter. All of the incumbent members of Board of Directors attended our 2018 annual meeting of shareholders.

**Independence of Directors**

Our Corporate Governance Guidelines provide that a majority of our Directors must qualify as independent Directors under NASDAQ listing standards and applicable law.

Our Board of Directors annually reviews the direct and indirect relationships that the Company has with each Director. The purpose of this review is to determine whether any transactions or relationships are inconsistent with a determination that the Director is independent. Only those Directors who are determined by our Board of Directors to have no material relationship with Altisource are considered independent. This determination is based in part on the analysis of questionnaire responses that follow the independence standards and qualifications established by NASDAQ and applicable law. The Board of Directors also considers beneficial ownership of our common stock by each of the Directors, as set forth under "Security Ownership of Certain Beneficial Owners and Management," although our Board of Directors generally believes that stock ownership tends to further align a Director's interests with those of our other shareholders. Please see "Minimum Stock Ownership Requirements" under the Board of Directors Compensation section for additional information.

The Board of Directors has determined that all of our current Directors other than Mr. Shepro are independent under NASDAQ listing standards. Mr. Shepro is deemed not to be independent because he serves as the Chief Executive Officer of Altisource. Upon his election, the Board of Directors has determined that Mr. Burg will also qualify as independent.

Our Corporate Governance Guidelines provide that the Board may appoint a lead independent director unless the Chairman of the Board is an independent director. Mr. Vättö, an independent Director, is the Chairman and, as a result, we do not currently have a lead independent director.

**Executive Sessions of Independent Directors**

Our Independent Directors met in executive session of the Board of Directors without management five (5) times in 2017.

**Board Leadership Structure**

The Board of Directors currently believes that separating the positions of Chief Executive Officer and Chairman is the appropriate structure for the Company's needs. The Board periodically reviews the



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leadership structure and may make changes in the future as it deems to be in the best interests of the Company and our shareholders at such time.

The Chief Executive Officer is responsible for our day-to-day operations and for formulating and executing our long-term strategy in collaboration with the Board of Directors. The Chairman of the Board leads the Board and oversees meetings of the Board of Directors, ensures the delivery of information necessary for the Board's informed decision-making and, together with the Board, approves the strategy for Altisource. We currently believe that the leadership structure now in place appropriately serves the Board's ability to carry out its roles and responsibilities on behalf of the shareholders and allows the Chief Executive Officer to focus his time and energy on operating and managing the Company.

**Committees of the Board of Directors**

Our Board of Directors has established an Audit Committee, a Compensation Committee, a Compliance Committee, a Nomination/Governance Committee and an Executive Committee. Except as otherwise required by applicable laws or rules, the Committees' responsibilities and procedures are designed to remain flexible, so that they may be in a position to best react or respond to changing circumstances or conditions. A brief description of each committee is provided below.

**Audit Committee.** The Audit Committee of our Board of Directors oversees the relationship with our independent registered certified public accounting firm and certified auditor; provides assistance to our Board of Directors with respect to matters involving the accounting, auditing, financial reporting and internal control functions; establishes procedures for the receipt, retention and treatment of complaints received by the Company relating to the financial reporting process and our system of accounting, internal controls, auditing and federal securities law matters; reviews and approves transactions in which a "Related Person" (as defined by SEC Regulation S-K in accordance with the Company's Related Person Transactions Policy) has a material interest; reviews the scope and results of the annual audit conducted by the independent registered certified public accounting firm, including any significant matters regarding internal controls over financial reporting; and reviews the Company's internal audit plan, internal audit budget and enterprise risk assessment. The Audit Committee is also empowered to retain, at the Company's expense, such independent counsel or other advisors as it deems necessary in connection with its responsibilities.

The members of the Audit Committee for 2017 were Messrs. Müller-Ineichen, Morettini, Linn and Vättö, with Mr. Müller-Ineichen serving as the Chairman. Each member of our Audit Committee is independent as defined in regulations adopted by the SEC and NASDAQ listing standards. Our Board of Directors has determined that all members of our Audit Committee are financially literate, possess accounting or related financial management experience that results in the individual's financial sophistication within the meaning of NASDAQ listing standards and qualify as audit committee financial experts as that term is defined in SEC rules. Pursuant to the Company's Corporate Governance Guidelines, no director may serve as a member of the Audit Committee if such director serves on the audit committee of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Audit Committee.

Our Audit Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our website at [www.altisource.com](http://www.altisource.com) and is available in print to any shareholder who requests it. On an annual basis, the Audit Committee reviews its charter and presents any recommendations for amendments to the Board. The Audit Committee also evaluates its performance under its charter and delivers a report to the Board setting forth the results of its evaluation, including an assessment of the adequacy of its charter. The charter was last reviewed by the Audit Committee in February 2018. The Audit Committee met fourteen (14) times and took action pursuant to written consent two (2) times in 2017. The Audit Committee met in executive session with both the Company's internal and



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external auditors five (5) times, solely with the Company's internal auditors three (3) times and solely with the Company's external auditors five (5) times in 2017.

**Compensation Committee.** The Compensation Committee of our Board of Directors oversees our compensation and employee benefit plans and practices. Our Compensation Committee also evaluates and makes recommendations to our Board of Directors for compensation and other human resources matters relating to our executive officers. The Compensation Committee reviews with the Chief Executive Officer and the Chief Administration and Risk Officer (except as it relates to their own compensation) and subsequently approves all executive compensation programs, any severance or termination arrangements applicable to executive officers and any equity compensation plans that are not subject to shareholder approval. The Compensation Committee also has the power to review our other compensation plans, including the goals and objectives thereof. The Compensation Committee is responsible for reviewing Director compensation and recommending changes, subject to the approval of our shareholders. The Compensation Committee has the authority to administer awards under the 2009 Equity Incentive Plan.

The Compensation Committee may request that any of our Directors, executive officers, employees or other persons attend its meetings to provide advice, counsel or pertinent information as the Committee requests. The Compensation Committee is also empowered to retain independent compensation consultants, counsel or other advisors as it deems necessary in connection with its responsibilities at the Company's expense. In determining whether a compensation consultant, counsel or other advisor is independent, the Compensation Committee considers all factors set forth in SEC rules and the NASDAQ listing standards with respect to advisor independence, as well as any other factors the Compensation Committee deems relevant. Based on its consideration of the various factors as set forth in SEC rules and NASDAQ listing standards, the Compensation Committee determined that its compensation consultant Exequity LLP ("Exequity") is independent and that the engagement of Exequity by the Company raises no conflict of interest. In 2017, our Compensation Committee engaged Exequity to conduct a peer group analysis, review the compensation levels for Directors and executive officers and review the design of awards granted pursuant to our Long-Term Incentive Plan for our executive officers and other key employees. Please see "Role of Compensation Consultant" in our Compensation Discussion and Analysis for further information.

The members of the Compensation Committee during 2017 were Messrs. Vättö, Müller-Ineichen and Kramer, with Mr. Vättö serving as the Chairman.

Each member of the Compensation Committee is independent as defined by NASDAQ listing standards, as revised in 2013. While we have no specific qualification requirements for members of the Compensation Committee, our members have knowledge and experience regarding compensation matters as developed through their respective business experience in both management and advisory roles, including general business management, executive compensation and employee benefits experience. We believe that their collective achievements and knowledge provide us with extensive diversity in experience, culture and viewpoints.

Our Compensation Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our website at [www.altisource.com](http://www.altisource.com) and is available in print to any shareholder who requests it. On an annual basis, the Compensation Committee reviews its charter and presents any recommendations for amendments to the Board. The Compensation Committee also evaluates its performance under its charter and delivers a report to the Board setting forth the results of its evaluation, including an assessment of the adequacy of its charter. The charter was last reviewed by the Compensation Committee in February 2018. The Compensation Committee met eight (8) times in 2017.

**Compensation Committee Interlocks and Insider Participation.** No current member of the Compensation Committee has ever been an officer or employee of the Company, and no member has nor has ever had



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any relationship with us requiring disclosure under Item 404 of SEC Regulation S-K. None of our executive officers has served on the Board of Directors or compensation committee of any other entity that has or had one (1) or more executive officers who served as a member of our Board of Directors or our Compensation Committee during the 2017 fiscal year.

**Compliance Committee.** The Compliance Committee of our Board of Directors provides assistance to the Board with the development, monitoring and evaluation of the Company's compliance function, including its compliance management system, and the Company's compliance with applicable laws, rules and regulations governing its businesses. The Compliance Committee performs such other duties as may be prescribed pursuant to its charter. The members of the Compliance Committee for 2017 were Messrs. Linn, Morettini, Müller-Ineichen and Kramer, with Mr. Linn serving as the Chairman. Each member of the Compliance Committee is independent as defined by NASDAQ listing standards.

Our Compliance Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our website at [www.altisource.com](http://www.altisource.com) and is available in print to any shareholder who requests it. On an annual basis, the Compliance Committee reviews its charter and presents any recommendations for amendments to the Board. The Compliance Committee also evaluates its performance under its charter and delivers a report to the Board setting forth the results of its evaluation, including an assessment of the adequacy of its charter. The charter was last reviewed by the Compliance Committee in February 2018. The Compliance Committee met five (5) times in 2017.

**Nomination/Governance Committee.** The Nomination/Governance Committee of our Board of Directors makes recommendations to our Board of Directors of individuals qualified to serve as Directors and committee members for our Board of Directors, advises our Board of Directors with respect to Board of Directors composition, procedures and committees, develops and presents our Board of Directors with a set of corporate governance guidelines and oversees the evaluation of our Board of Directors. The Nomination/Governance Committee may retain, at the Company's expense, such independent counsel or other advisors as it deems necessary.

The members of the Nomination/Governance Committee during 2017 were Messrs. Linn, Vättö and Kramer, with Mr. Linn serving as the Chairman. Each member of the Nomination/Governance Committee is independent as defined by NASDAQ listing standards.

Our Nomination/Governance Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our website at [www.altisource.com](http://www.altisource.com) and is available in print to any shareholder who requests it. On an annual basis, the Nomination/Governance Committee reviews its charter and presents any recommendations for amendments to the Board. The Nomination/Governance Committee also evaluates its performance under its charter and delivers a report to the Board setting forth the results of its evaluation, including an assessment of the adequacy of its charter. The charter was last reviewed by the Nomination/Governance Committee in February 2018. The Nomination/Governance Committee met five (5) times in 2017.

The Nomination/Governance Committee regularly assesses the appropriate size of the Board of Directors and whether any vacancies on the Board of Directors are anticipated. Various potential candidates for Director are then identified. Candidates may come to the attention of the Nomination/Governance Committee through current members of the Board of Directors, professional search firms, shareholders or industry sources.

When recommending nominees to the Board, the Nomination/Governance Committee considers candidates based on merit, against objective criteria relating to the candidate's knowledge, experience, skills and expertise, with due regard for the benefits of diversity on the Board. In considering diversity, the Nomination/Governance Committee considers differences that relate to gender, age, ethnicity, race, national

